

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: Kirk-Hughes Development, LLC

Case No. 09-15153

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Jan-10**PETITION DATE:** 04/06/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
 Dollars reported in \$1

2. Asset and Liability Structure

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

	End of Current Month	End of Prior Month	As of Petition Filing
	\$57,509	\$9,997,201	\$9,997,201
a.	\$10,050,855		
b.	\$6,498		
c.	\$7,046,596		
d.			

	Current Month	Prior Month	Cumulative (Case to Date)
a.	\$4,450	\$0	\$33,101
b.	\$6,498	\$0	\$0
c.	(\$2,048)	\$0	\$33,101
d.	\$5,958	\$0	\$0
e.	\$3,937	\$0	\$33,101

	Current Month	Prior Month	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	(\$2,045)	\$0	\$0
5. Account Receivables (Pre and Post Petition)	\$53,572	\$0	\$0
6. Post-Petition Liabilities	\$6,498	\$0	\$0
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	\$0

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)

9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)

10. If the answer is yes to 8 or 9, were all such payments approved by the court?

11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)

12. Is the estate insured for replacement cost of assets and for general liability?

13. Are a plan and disclosure statement on file?

14. Was there any post-petition borrowing during this reporting period?

15. Check if paid: Post-petition taxes ____; U.S. Trustee Quarterly Fees ____; Check if filing is current for: Post-petition tax reporting and tax returns: ____.
 (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

	Yes	No
	XX	

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 6/23/2009 0:00

/s/ Geraldine Kirk-Hughes
Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 01/31/10

Assets

		<u>From Schedules</u>	<u>Market Value</u>
	Current Assets		
1	Cash and cash equivalents - unrestricted		\$3,937
2	Cash and cash equivalents - restricted		\$0
3	Accounts receivable (net)	A	\$53,572
4	Inventory	B	\$0
5	Prepaid expenses		\$0
6	Professional retainers		\$0
7	Other:		
8			
9	Total Current Assets		<u>\$57,509</u>
	Property and Equipment (Market Value)		
10	Real property	C	\$9,988,346
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles 2007 Power Boat	D	\$5,000
16	Other:	D	
17		D	
18		D	
19		D	
20		D	
21	Total Property and Equipment		<u>\$9,993,346</u>
	Other Assets		
22	Loans to shareholders		\$0
23	Loans to affiliates		\$0
24			
25			
26			
27			
28	Total Other Assets		<u>\$0</u>
29	Total Assets		<u>\$10,050,855</u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules**Post-Petition****Current Liabilities**

30	Salaries and wages	\$3,000
31	Payroll taxes	_____
32	Real and personal property taxes	_____
33	Income taxes	\$0
34	Sales taxes	\$0
35	Notes payable (short term)	\$0
36	Accounts payable (trade)	\$0
37	Real property lease arrearage	A _____
38	Personal property lease arrearage	\$0
39	Accrued professional fees	\$0
40	Current portion of long-term post-petition debt (due within 12 months)	\$0
41	Other:	\$3,498
42	_____	_____
43	_____	_____
44	Total Current Liabilities	\$6,498
45	Long-Term Post-Petition Debt, Net of Current Portion	\$0
46	Total Post-Petition Liabilities	\$6,498

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$5,590,000
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$1,450,098
50	Total Pre-Petition Liabilities		\$7,040,098
51	Total Liabilities		\$7,046,596

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	\$0
53	Capital Stock	\$0
54	Additional paid-in capital	\$0
55	Cumulative profit/(loss) since filing of case	_____
56	Post-petition contributions/(distributions) or (draws)	\$0
57	Market value adjustment	_____
58	_____	_____
59	Total Equity (Deficit)	\$0
60	Total Liabilities and Equity (Deficit)	\$7,046,596

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings

0 -30 Days
 31-60 Days
 61-90 Days
 91+ Days
 Total accounts receivable/payable
 Allowance for doubtful accounts
 Accounts receivable (net)

	<u>Accounts Receivable</u> <u>[Pre and Post Petition]</u>	<u>Accounts Payable</u> <u>[Post Petition]</u>	<u>Past Due</u> <u>Post Petition Debt</u>
	\$3,300		
	\$6,786		
	\$1,000		
	\$42,486		
	\$53,572	\$0	
		<u>\$53,572</u>	

Schedule B
Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>	
Retail/Restaurants - Product for resale	_____	
Distribution - Products for resale	_____	
Manufacturer - Raw Materials	_____	
Work-in-progress	_____	
Finished goods	_____	
Other - Explain	_____	
TOTAL	_____	\$0

Cost of Goods Sold**Inventory Beginning of Month**

Add -	
Net purchase	_____
Direct labor	_____
Manufacturing overhead	_____
Freight in	_____
Other:	_____

Less -

Inventory End of Month	_____
Shrinkage	_____
Personal Use	_____

Cost of Goods Sold**\$0****Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost	_____
LIFO cost	_____
Lower of cost or market	_____
Retail method	_____
Other	_____
Explain	_____

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Multi-Unit Storage Facility		\$1,346,360
10 Acres Rual Land with Single-Family Dwelling		\$741,986
18 Acres of Undeveloped Residential Tract Zoned Land		\$4,900,000
50 Acres of Undeveloped Lake-Front Land		\$3,000,000
Water rights of 3 cubic feet per second for the benefit of the above-referenced 578 acres of real property		
Total	<u>\$0</u>	<u>\$9,988,346</u>

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Furniture & Fixtures -		
Total	<u>\$0</u>	<u>\$0</u>
Office Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Leasehold Improvements -		
Total	<u>\$0</u>	<u>\$0</u>
Vehicles -		
Total	<u>\$0</u>	<u>\$0</u>

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Taxes Payable					
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -

	Claimed Amount	Allowed Amount (b)
Secured claims (a)	\$5,590,000	\$5,590,000
Priority claims other than taxes	\$0	
Priority tax claims	\$0	
General unsecured claims	\$1,450,098	\$20,000

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of Nevada			
Account Type	Operating			
Account No.	7501123659			
Account Purpose	Operations			
Balance, End of Month	\$5,958			
Total Funds on Hand for all Accounts	<u>\$5,958</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 12/31/09**

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	<u>\$4,450</u>	<u>\$33,101</u>
2	Cash Received from Sales	<u>\$0</u>	<u>\$0</u>
3	Interest Received	<u>\$0</u>	<u>\$0</u>
4	Borrowings	<u>\$0</u>	<u>\$0</u>
5	Funds from Shareholders, Partners, or Other Insiders	<u>\$0</u>	<u>\$0</u>
6	Capital Contributions	<u>\$0</u>	<u>\$0</u>
7			
8			
9			
10			
11			
12	Total Cash Receipts	<u>\$4,450</u>	<u>\$33,101</u>
Cash Disbursements			
13	Payments for Inventory	<u></u>	<u></u>
14	Selling	<u></u>	<u></u>
15	Administrative	<u></u>	<u></u>
16	Capital Expenditures	<u></u>	<u></u>
17	Principal Payments on Debt	<u></u>	<u></u>
18	Interest Paid	<u></u>	<u></u>
19	Rent/Lease:		
20	Personal Property	<u></u>	<u></u>
21	Real Property	<u></u>	<u></u>
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries	<u></u>	<u></u>
24	Draws	<u></u>	<u></u>
25	Commissions/Royalties	<u></u>	<u></u>
26	Expense Reimbursements	<u></u>	<u></u>
27	Other	<u></u>	<u></u>
28	Salaries/Commissions (less employee withholding)	<u>\$3,000</u>	<u></u>
29	Management Fees	<u></u>	<u></u>
30	Taxes:		
31	Employee Withholding	<u></u>	<u></u>
32	Employer Payroll Taxes	<u></u>	<u></u>
33	Real Property Taxes	<u></u>	<u></u>
34	Other Taxes	<u></u>	<u></u>
35	Other Cash Outflows:	<u>\$3,497</u>	<u></u>
36			
37			
38	Total Cash Disbursements:	<u>\$6,497</u>	<u>\$0</u>
39	Net Increase (Decrease) in Cash	<u>(\$2,047)</u>	<u></u>
40	Cash Balance, Beginning of Period	<u>\$5,958</u>	<u></u>
41	Cash Balance, End of Period	<u><u>\$3,937</u></u>	<u><u>\$0</u></u>

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 12/31/09

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$0	
2	Rent/Leases Collected	\$4,450	
3	Interest Received	\$0	
4	Cash Paid to Suppliers	\$0	
5	Cash Paid for Selling Expenses	\$0	
6	Cash Paid for Administrative Expenses	\$0	
	Cash Paid for Rents/Leases:		
7	Personal Property	\$0	
8	Real Property	\$0	
9	Cash Paid for Interest	\$0	
10	Cash Paid for Net Payroll and Benefits	\$3,000	
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries	\$0	
12	Draws	\$0	
13	Commissions/Royalties	\$0	
14	Expense Reimbursements	\$0	
15	Other	\$0	
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$0	
17	Employee Withholdings	\$0	
18	Real Property Taxes	\$0	
19	Other Taxes	\$0	
20	Cash Paid for General Expenses	\$3,497	
21			
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$2,047)	\$0
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case	\$0	
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$0	
30	U.S. Trustee Quarterly Fees	\$0	
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$2,047)	\$0
Cash Flows From Investing Activities			
34	Capital Expenditures	\$0	
35	Proceeds from Sales of Capital Goods due to Chp 11 Case	\$0	
36		\$0	
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)	\$0	
39	Net Borrowings from Shareholders, Partners, or Other Insiders	\$0	
40	Capital Contributions	\$0	
41	Principal Payments	\$0	
42		\$0	
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$2,047)	\$0
45	Cash and Cash Equivalents at Beginning of Month	\$5,958	
46	Cash and Cash Equivalents at End of Month	\$3,937	\$0